

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Mortgage Interest Credit**(For Holders of Qualified Mortgage Credit Certificates Issued by  
State or Local Governmental Units or Agencies.)

▶ Attach to Form 1040.

Your social security number

Enter the address of your main home to which the qualified mortgage certificate relates if it is different from the address shown on Form 1040.

**Part I Current Year Mortgage Interest Credit**

1	Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid . . . . .	1		
2	Enter the certificate credit rate shown on your mortgage credit certificate . . . . .	2		%
3	If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or if you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter . . . . .	3		
<b>Note:</b> You <b>must</b> reduce your mortgage interest deduction on Schedule A (Form 1040) by the amount on line 3.				
4	Enter any credit carryforward from 1997 (line 18 of your 1999 Form 8396) . . . . .	4		
5	Enter any credit carryforward from 1998 (line 16 of your 1999 Form 8396) . . . . .	5		
6	Enter any credit carryforward from 1999 (line 19 of your 1999 Form 8396) . . . . .	6		
7	Add lines 3 through 6 . . . . .	7		
8	Enter the amount from Form 1040, line 42 . . . . .	8		
9	Add the amounts from Form 1040, lines 43 through 47, and enter the total . . . . .	9		
10	Subtract line 9 from line 8. If line 9 is equal to or more than line 8, enter -0- here and on line 11 and go to Part II . . . . .	10		
11	<b>Current Year Mortgage Interest Credit.</b> Enter the <b>smaller</b> of line 7 or line 10. Also include this amount in the total on Form 1040, line 49. Be sure to check box <b>b</b> on that line . . . . .	11		

**Part II Mortgage Interest Credit Carryforward to 2001. (Complete only if line 11 is less than line 7.)**

12	Add lines 3 and 4 . . . . .	12		
13	Enter the amount from line 7 . . . . .	13		
14	Enter the <b>larger</b> of line 11 or line 12 . . . . .	14		
15	Subtract line 14 from line 13 . . . . .	15		
16	<b>1999 credit carryforward to 2001.</b> Enter the <b>smaller</b> of line 6 or line 15 . . . . .	16		
17	Subtract line 16 from line 15 . . . . .	17		
18	<b>1998 credit carryforward to 2001.</b> Enter the <b>smaller</b> of line 5 or line 17 . . . . .	18		
19	<b>2000 credit carryforward to 2001.</b> Subtract line 11 from line 3. If line 11 is equal to or more than line 3, enter -0- . . . . .	19		

**General Instructions****Purpose of Form**

Use Form 8396 to figure the mortgage interest credit for 2000 and any carryforward to 2001.

**Who May Claim the Credit**You may claim the credit **only** if you were issued a qualified Mortgage Credit Certificate (MCC) by a state or local governmental unit or agency under a qualified mortgage credit certificate program.